S T I M A H C S

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C.E.N.

REGISTRO No. 5248
EXP. 10/10114

July 24, 2025

Mr. Eduardo Belloso
Plant Human Resources Manager
Eaton Industries

Dear Mr. Belloso,

We greet you on behalf of our unions and respectfully state the following.

Eaton is a responsible company committed to human rights and awareness of the impacts that its activity has on the communities where it is established. As you are aware, there is currently a legal procedure underway to determine which union represents the workers at the Aguascalientes plant and thereby has the right to negotiate the collective bargaining agreement. Though the vote has not yet been carried out, the existence of the two unions in the plant implies the obligation to respect the rights of all workers to freedom of association and collective bargaining.

However, the company has been complicit in violations of the human rights of workers in the plant, including intervening in the process in favor of the CTM union by bringing together unionized personnel, during working hours, in the company's facilities so that the CTM union can campaign in order to win the vote. The company has also allowed the delegate of the aforementioned union to intimidate, misinform and coerce the staff during the performance of their work. In addition, the company has dismissed Mr. José Miguel Martínez Castillo because of his relationship with Ms. Estefany Capuchino Valenzuela, the representative of STIMAHCS. She has also been transferred from her usual work area.

Therefore, and based on the labour legal framework in force in Mexico and the company's internal regulations, we request that you take the necessary measures to stop, prevent, eliminate and repair these violations:

1. Provide the same opportunities to both unions. That is, allow the STIMAHCS to express its views on workers' rights and the upcoming vote under the same conditions as those given to the CTM union
2. That Estefany Capuchino can express her ideas to the workers of Eaton during working hours as the representative of the CTM union does
3. That Eaton ask the company providing services to review the case of José Miguel Martínez Castillo

We look forward to your response.

Kind regards,

UNITED STEELWORKERS
USW
MÉTALLOS
DISTRICT 6

Kevon Stewart
Director
United Steelworkers District 6

HILARIO NAVA MALDONADO
Secretario General Nacional

"UNIDAD, JUSTICIA Y DEMOCRACIA SINDICAL"

ANNEX

LEGAL BASIS

The labour regulatory framework in force in Mexico requires respect for freedom of association, collective bargaining, in addition to prohibiting discrimination of any kind. The second and third paragraphs of the Federal Labour Law prohibit acts of interference that include favouring a trade union in order to bring it under its control, section 133, section IV, which prohibits the company from forcing by coercion or any other means to vote for a certain candidacy "as well as any act or omission that violates their right to decide who should represent them in collective bargaining". V "To intervene in any way in the internal regime of the union, to prevent its formation or the development of union activity, through implicit or explicit reprisals against workers" and VII "To carry out any act that restricts the rights granted to workers by law." In this sense, the aforementioned rights and the prohibitions implied in their respect are protected in terms of the Labor Chapter of the USMCA, specifically those indicated in 23.3 A, 23.7 and their corresponding in Annex 31-A.

Rights that are protected by Eaton's internal rules, as established: The Eaton Code of Ethics, where it states the commitment to respect human rights and the dignity of people (page 29, Spanish version) and the Eaton Human Rights Policy in I. Purpose and III Policy.

Likewise, the Eaton Code of Ethics points to the international human rights framework (page 30) and is reiterated by the Eaton Human Rights Policy ((A)), from which the following derives: from the ILO Declaration on Fundamental Principles and Rights at Work derives respect for a) freedom of association and the effective recognition of the right to collective bargaining. From the Universal Declaration of Human Rights, respect for the rights of articles 20 and 23, as well as 28, of the International Covenant on Economic, Social and Cultural Rights, the rights that come from article 8. (a) (b) and (c). From the International Covenant on Civil and Political Rights, the rights enshrined in articles 22.1 and 22.2. The OECD Guidelines for Multinational Enterprises on Responsible Business *Conduct* (the *Guidelines*) provide for compliance with the General Principles and the aspects relating to freedom of association set out in Chapter V. Employment and Industrial Relations 1 (a), 1(b) and 1(e). The Guiding Principles on Business and Human Rights derive the protection of the aforementioned rights as indicated in the point on the Responsibility of companies to respect Human Rights.

In relation to the right to free expression and non-discrimination of the representatives of the STIMAHCS in Eaton, in particular C. Estefany Capuchino Valenzuela, articles 2 and 3 of the Federal Labor Law, the

Eaton Code of Ethics and respect for human rights (page 30). Eaton Human Rights Policy (B.I) prohibits discrimination: From the Universal Declaration of Human Rights respect for the rights of Articles 1, 2, 7 and 19, with respect to equality and non-discrimination and freedom of expression. From the International Covenant on Civil and Political Rights, the right enshrined in Article 2. The OECD Guidelines for Multinational Enterprises on Responsible Business *Conduct* (the *Guidelines*) provide for compliance with the General Principles and the aspects relating to freedom of association set out in Chapter V. Employment and Industrial Relations 1 (a), 1(b) and 1(e). The Guiding Principles on Business and Human Rights derive the protection of the aforementioned rights as indicated in the point on the Responsibility of companies to respect Human Rights.

In relation to the dismissal of Mr. José Miguel Martínez Castillo, there is an expectation of respect for what is stated in the Eaton Human Rights Policy (B.ii). From the OECD Guidelines for Multinational Enterprises on Responsible Business *Conduct* (the *Guidelines*) it is possible for Eaton to focus on bringing the contracted company to respect human rights, in particular the right to work and respect for the consequent principle of stability in employment.

Considering the aforementioned facts, there is a denial of the right to freedom of association and negative impacts on the human rights of the people to which Eaton contributes.

By allowing one of the unions to use time during working hours to send its message in the sense of voting orientation and misinformation, deliberately confusing workers with respect to their rights to freedom of association and collective bargaining and not granting the same right to the other union constitutes the performance of conduct that favors one union and harms another generating a clear interference to favor to the Forjas Union affiliated to the CTM. Even with the prior participation of the company's representative in the July meeting and the threats of dismissals by the company against those who support the STIMAHCS made by the representative of the Forjas Union, the workers assume a degree of coordination and protection of the company towards the Forjas Union.

It is also an act of discrimination against workers affiliated to the STIMAHCS that the Forjas Union are given the facilities of time during working hours to present their ideas, disseminate disinformation in meetings convened for this purpose and with time paid for by the company. In the same sense, the fact that the Forjas Union is given the facilities so that C. Tania and Raúl move freely around the plant to expose their ideas and even intimidate workers, threatening dismissals after the vote, produces a negative effect. The effects of intimidation against staff are enhanced by virtue of the context of violence in the State, including with insinuations about the final use of the documentation that the jurisdictional

authorities require to prove the representation of the union, since the union affirms in the forum provided by the company that the staff will be economically harmed by delivering the aforementioned documentation

Of particular concern is the abuse of the right, as well as the discriminatory act against Ms. Estefany Capuchino and the workers affiliated to the STIMAHCS, since the violation of their human rights has a negative impact that is enhanced by the conditions of violence against women in the context of the state of Aguascalientes, that is: The aforementioned worker has been subject to anti-union discrimination to the extent that the change of work area and assignment (she was changed to Quality) causes her a disadvantage insofar as she has no contact with the rest of her colleagues as well as being perceived as non-unionized personnel because she belongs to the Quality Department. In addition, the dismissal of her partner and the ostensible use of intimidation by the representatives of the Sindicato de Forjas against C. José Miguel Martínez Castillo constitute a violation of the worker's right to work, as well as an indication of acts of interference by Eaton in relation to the right to freedom of association and collective bargaining. It is also a failure to comply with what is stated in Eaton's Human Rights Policy, B (ii) with respect to third parties in the value chain and their obligation to respect human rights.

Within the framework of the Eaton Human Rights Policy and Code of Ethics leading to compliance with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (the *Guidelines*), it is feasible and expected that Eaton will take the requested actions.

The guidelines themselves indicate (in 12) the duty to avoid causing negative impacts through one's own activities "and to address such impacts when they occur, including by providing or cooperating in the remediation of these" and to seek to prevent or mitigate a negative impact (in 13)

The Due Diligence derived from the *Guidelines* leads not only to identify and manage negative effects but also to stop, prevent and mitigate negative impacts (point 4 of the measures in the guide in 15).

Considering that the relationship between the company and negative impacts is not static, the contingency of the current situation must be considered, and to that extent prevent, prevent and mitigate. Although it can be considered that the decision of the jurisdictional authority is awaited, the dynamic relationship between the company and the negative impacts indicated in the guidelines (15) would result in the denial of rights since there is a time limit for workers to exercise their rights to freedom of association. Information and non-discrimination, since once the voting day has passed, the violation would be consummated by going to it with the negative effects of the actions taken by the company.

The guidelines themselves establish that even when the State does not enforce the relevant laws (43), respect for human rights is independent of the capacity and will of the States (42)

The Code of Ethics itself points to the international human rights framework (page 30) and is reiterated by the Eaton Human Rights Policy ((A)). Considering this international framework, it is clear that the principle of progressivity of expanding the scope and protection of human rights to the greatest extent possible until they are fully effective, according to the factual and legal circumstances, as stated in the code of ethics (page 30), "Eaton will follow an approach that aligns with the principles of international human rights to the maximum extent possible" justify the adoption of the necessary measures.
Although the conventions indicated in the Code of Ethics include the right to consultation on indigenous peoples, which applies mainly to their territories and resources, it should not be overlooked that, considering the principle of the breadth of human rights, the consultations indicated in those instruments indicate an essential element of the conduct, which is that of informed consultation, that is, that those involved can receive the necessary information on which to base their decision

The measures requested are not in violation of the law, much less unprecedented. Similar situations have occurred in the complaint filed with the Rapid Response Labor Mechanism in the case of Aerotransportes Mas de Carga, S.A. de C.V. for "including jointly holding meetings with STIA at the Facility, incentivizing worker support for STIA" or the case of Manufacturas VU for "denied the right of free association and collective bargaining in relation to the opportunities to conduct organizing activities at the Facility afforded to one union that are not being afforded to another union" as well as the case of Draxton Mexico, among others.

In addition to the above, the purpose of giving equitable conditions to both unions would not only cease the violation and remedy it, but would also allow an effective exercise by workers of their right to express their will through a free, personal, direct and secret vote, but also informed. This is of enormous relevance because the company would contribute to changes in labour regulations that promote greater democracy and participation of workers in trade union life.